

Cabinet	
25 November 2020	
Report of: Denise Radley, Corporate Director Health Adults Communities	Classification: Unrestricted
Hackney Road Hostel Project: Direct Award of Contract to Look Ahead Care and Support	

Lead Member	Councillor Rachel Blake, Cabinet Member for Health, Adults, Communities
Originating Officer(s)	Joseph Gillam/Maria Kaustrater
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	29/09/2020
Strategic Plan Priority / Outcome	People are aspirational, independent and have equal access to opportunities

Executive Summary

This report summarises the recommendation for a Direct Award of Contract to Look Ahead Care and Support to act as the contract provider to a proposed Ministry of Housing, Communities and Local Government (MHCLG) funded Homeless Hostel project at Hackney Road for four years – from April 2021 until March 2025.

This Homeless Hostel provision is part of the wider measures that the Council has undertaken to rehouse everyone off the streets in response to Covid-19, and the endeavours to ensure rough sleepers can move into long-term, safe accommodation.

Recommendations:

The Cabinet is recommended to:

1. To agree the direct award to Look Ahead Care and Support in order to meet the funding conditions of the MHCLG funding bid.

1 REASONS FOR THE DECISIONS

- 1.1 The tight timeframe of the MHCLG and GLA funding do not allow for a formal tender process. Agreed tenancies and support provisions have to be in place by 31 March 2021 in order to meet the terms and conditions of this funding.

2 ALTERNATIVE OPTIONS

- LBTH could go through a formal tender process but this would be a lengthy process and LBTH would not meet the MHCLG funding condition that services are fully operational by 31 March 2021.
- LBTH could continue to support this cohort of rough sleepers through the existing hotel provision. It has to be noted that this is an expensive option and comes at a cost to Tower Hamlets and foregoes the opportunity that this would be funded through the MHCLG funding
- LBTH could not commission any provision at all which would leave some of the most vulnerable members of the community at risk. With the spread of Covid 19 it would also affect rough sleepers and could spread further into the community. It would come at a high price to LBTH and also could lead to reputational damage.

3 DETAILS OF THE REPORT

- 3.1. Mid-March 2020 saw the commencement of the 'Stay at Home' phase in the government's response to the Covid-19 pandemic. With it came the 'Everyone In' initiative which made local authorities responsible for accommodating all rough sleepers and those at risk of rough sleeping, regardless of priority need, local connection or recourse to public funds.
- 3.2. On the back of this, in Tower Hamlets, a significant number of rough sleepers have been accommodated directly from the street into commercial hotels and bed and breakfasts during the Covid-19 crisis. Many of them (approximately 153 in total) have complex and high support needs, (including mental health, physical health, and substance misuse issues) and it is estimated that accommodation and associated costs for this cohort are in the region of £300k per month.

- 3.3. Of the 153 rough sleepers that were originally provided with temporary accommodation, approximately 51 of these have returned to the streets. The key reasons for this have been eviction due to violent conduct or anti-social behaviour, as well as leaving through choice (termed as voluntary abandonment).
- 3.4. Following the first wave of the pandemic, Central Government requested a plan for moving the rough sleepers supported during the 'Everyone In' initiative onto the next stage of accommodation and there is a Government/GLA commitment to ensure no one temporarily accommodated is forced to return to the streets. As part of this commitment, capital and revenue funding of £265m from Central Government has been announced to help facilitate this.
- 3.5. The deadline for bids for Central Government funding, which Local Authority officers were expected to co-produce with Ministry of Housing Communities and Local Government (MHCLG) / GLA Advisers, was 20th August 2020. A core condition of the grant funding is that any accommodation and support costs are required to be mobilised before 31st March 2021.
- 3.6. In response to this Central Government directive and funding opportunity, the LBTH Housing Team, in partnership with Integrated Commissioning, developed an Exit Plan (attached in section 6 of the report below), outlining the medium and long-term options that would be made available to support the rough sleepers that have been provided with temporary accommodation during the pandemic. One of the key proposals within this plan was the re-purposing of the current Hackney Road Project into a service for complex needs rough sleepers.

The Hackney Road Project - Current service provision and proposed changes

- 3.7. The Hackney Road Project is a 35 unit abstinence hostel due to be de-commissioned on 31st March 2021.
- 3.8. The Hackney Road Project is currently delivered by Look Ahead Care and Support and is a service for homeless single people who formerly had substance misuse and addiction issues and are now abstinent.

- 3.9. A decision was made by Cabinet last year to decommission the service, on the grounds that it primarily supports service users with low levels of need/complexity and alternative provision could be put in place for them from other sources e.g. private rented accommodation, funded through housing benefit. It was noted at the time that there were risks with the decommissioning decision, a key one being that this would result in no exclusively lower needs beds within the Tower Hamlets Hostels pathway.
- 3.10. The decommissioning of the service is expected to release annual savings of £468,003 from 2021/22 onwards and there is no budget within the Council to fund the service beyond March 2021.
- 3.11. As part of the Exit Strategy referenced in point 1.5 above, LBTH has approached MHCLG for funding to continue to provide a hostel service at the Hackney Road Project from 1st April 2021 until 31st March 2025. However, the new service would be complex needs provision, as this is in keeping with the high support requirements of the rough sleepers that have been accommodated during the 'Everyone In' initiative.
- 3.12. The bid to MCHLG totals £787k and is comprised of the following:
- Capital funding of 212k to convert 10 rooms with shared facilities into 6 self-contained units with en-suite facilities, providing rough sleepers with safer accommodation to practice social distancing during the Covid19 crisis. This will reduce capacity from 35 to 31 units and Peabody Trust, who own the building, have given their agreement to this change.
 - Annual revenue funding of £575k to provide an opportunity for sustained progression for rough sleepers in a long-term home, rather than equivalent or higher sums being spent on on-site support at commercial hotels where, by necessity, the efforts of support providers are oriented to delivering short-term and more limited outcomes. Approximately £11k of the £575k funding has also been earmarked to upgrade CCTV around the site, as well as appoint a Rough Sleeping Neighbourhood Relationship Manager, with a view to minimising incidences of crime and ASB in the wider vicinity for local residents.
- 3.13. The GLA and MHCLG have indicated that they are, in principle, supportive of the bid and are intending to inform us of their final confirmation in November 2020. As of 2nd November 2020, a letter was received from the GLA stating

that LBTH has been successful in its bid in its entirety (£2,283,000 over four years).

- 3.14. Assuming that the funding from GLA and MHCLG is forthcoming, this would protect the LBTH annual savings (£468,003) associated with the decommissioning of the Hackney Road Project from 31st March 2021 onwards. It is important to note that the GLA and MHCLG funding is, at this point, for a four year period only. As such, if Cabinet are in agreement to proceed with this proposal, once the immediate priority of commissioning a new complex needs service has been addressed, consideration will need to be given to funding implications and sources beyond the four year period.
- 3.15. As mentioned above, funding is conditional upon mobilisation of the new complex needs service by 31st March 2021. The requirements and timescales as set out by MHCLG reduce the likelihood of a successful competitive process. For expediency, we are therefore seeking formal agreement to the Direct Award of Contract to Look Ahead Care and Support for a four year period from 1st April 2021 – 31st March 2025.
- 3.16. Look Ahead Care and Support have been working closely with Peabody Trust over a number of years to provide safe and effective services at Hackney Road, and the tight timescales surrounding the capital works and implementation of revenue support services mean that staying with the current provider at Hackney Road is highly desirable. Peabody Trust, the owners of the Hackney Road Project have also given their agreement to the proposed change of cohort and the capital works needed to accommodate them.
- 3.17. Starting the new service for 1st April 2021 will be dependent upon commencing a decant of existing residents at Hackney Road Project. As the current service was scheduled for decommissioning, this activity will be required, irrespective of decisions on future use.
- 3.18. The decant of Hackney Road Project is being overseen by the LBTH Housing Options Team and work on this is underway. Move on pathways have been identified for each service user and the Team are working in conjunction with Look Ahead and the Peabody Trust to facilitate these changes. The decant is starting with service users in the shared facilities, with a view to these being empty well in advance of Christmas, such that the capital works can be completed in time. The decant of the other rooms will then be undertaken in phases over January and February 2021.

- 3.19. Without the Direct Award of the contract to Look Ahead to provide revenue support at Hackney Road Project, there is a risk that a successful competitive procurement process would not be possible within the target timeframe to have a new complex needs service in place on 1st April 2021. Consequently, this would jeopardise the bid into MHCLG for the funding of the project.
- 3.20. Equally, without the commissioning of the 31 units at Hackney Road Project, the Council will need to identify funding to house entrenched rough sleepers for long periods in B&Bs or commercial hotels, which comes at a considerable cost. Commercial hotel accommodation and 24/7 on site support between March-July 2020 was estimated to cost the Council approximately £1.5m and is currently running at over £200k per calendar month (net Housing Benefit contributions). The Council has had to use the Covid19 funding to cover these costs and will also require Central Government Next Step Accommodation Programme funding to reimburse its costs for the remainder of 2020-21 as these cannot be absorbed within already over-stretched Council budgets. The MHCLG bid thereby provides an opportunity to work with Central Government to source strategic investment to support this group of service users for a 4 year period.
- 3.21. Alongside the original decision to decommission the Hackney Road Project, there was an associated savings proposal and agreement by Cabinet to reduce the current floating support service provision by 50% from 1st April 2021, thus releasing annual savings in the region of £250k. A bid to secure additional funding from MHCLG to bolster the service (following a 50% reduction by LBTH) to support the additional rough sleepers that have been accommodated during the pandemic was unsuccessful. As such, so we are currently exploring opportunities to use LBTH Covid-19 funding for this purpose, with a view to protecting the savings that have been allocated to this scheme.

Statutory considerations – crime and disorder

- 3.22. Hackney Road Project is located in Weavers Ward. It is one of four wards in the North West Cluster which represent over 50% of reported crime and ASB in the borough. Therefore, it is clear that adequate crime prevention measures need to be put in place.

3.23. Elsewhere in the borough, intensive joint working between the Council's Neighbourhood Management 'Pilot' and police, both on enforcement and community liaison, has contributed to a reduction in complaints. Lessons learned from working with local residents' concerns about homeless hostels in their area has also been considered. These measures will include:

- Incorporating into the specification for any new service at Hackney Road Project a requirement on the Provider to manage the behaviour of individuals in the vicinity of the building , e.g. regular patrols, and close co-ordination and escalation arrangements with police and community safety, including information sharing with police and others to ensure any risks are quickly identified and addressed;
- Thorough Neighbourhood management ensuring an engagement plan with local residents and businesses is developed and implemented to provide reassurance and to address complaints and concerns promptly;
- Recognising there is no quick fix for those with complex needs, and there consequently will be a need to ensure compliance with neighbourhood agreements and use tools and powers where appropriate to support recovery plans.
- A site survey of Hackney Road Project has been undertaken by a qualified crime prevention design officer to 'design out' crime and ASB, e.g. CCTV and lighting. Funding for the cost of works recommended following the survey is included in the MHCLG/ GLA bid, should such works meet the funding criteria.
- Funding for additional staff to support community liaison and undertake enforcement actions aimed at reducing crime and ASB at Hackney Road Project and Luke House will be requested from the MHLCLG/ GLA bid. Funding will also be sourced for this function through the DHSC £23m rough sleeping substance misuse treatment pot, though this will be subject to the funding criteria which has yet to be announced. For staffing, Community Safety recommend a minimum of 1 x FTE. Consultation is in the process of taking place with the Police given the demands on neighbourhood policing.

4. Next steps

4.1. Indicative timelines for this project are as follows:

- Await confirmation and contract on funding proposal from MHCLG – November 2020
- Project group established to manage Hackney Road Project decant and (potential) new commissioned service – late October 2020
- Receive confirmation from Cabinet on Direct Award arrangements – end November 2020
- Begin capital works on Hackney Road – End November/early December 2020
- Complete Hackney Road decant – February 2021
- New service commencement date (if agreed) – 31 March 2021

5 **EQUALITIES IMPLICATIONS**

- 5.1 This proposal seeks to provide support to some of the most vulnerable members of the community.

6 **OTHER STATUTORY IMPLICATIONS**

- 6.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

Crime Reduction

- 6.2 The Council is statutorily required to have due regard for the likely crime and disorder implications in its area and local environment in exercising its

functions (s.17, Crime and Disorder Act 1998). The scope of the statutory duty encompasses drug misuse and ASB,

6.3 Hackney Road Project is located in Weavers Ward. It is one of four wards in the North West Cluster which represent over 50% of reported crime and ASB in the borough. Therefore, it is clear that adequate crime prevention measures need to be put in place.

6.4 Elsewhere in the borough, intensive joint working between the Council's Neighbourhood Management 'Pilot' and police, both on enforcement and community liaison, has contributed to a reduction in complaints. Lessons learned from working with local residents' concerns about homeless hostels in their area has also been considered. These measures will include:

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Consultations

- 6.5. Engagement with residents in the vicinity of the Hackney Road Project will be undertaken once a decision regarding the direct award has been made. Similarly, residents at the Hackney Road Project will be informed of the decommissioning of the current provision which is due to end on 31 March 2021 anyway to realise the savings.

7. COMMENTS OF THE CHIEF FINANCE OFFICER

- 7.1. The funding bid to support this proposal has been submitted to the Rough Sleeping Accommodation Programme through the GLA and MHCLG with approval of the funding of £2.496m notified on 29th October 2020. Funding will be for four years and will be subject to meeting terms and conditions on an annual basis. Any contract award should be subject to meeting these terms and conditions with an exit plan in place prior to the end of year 4 to minimise the risk of any residual costs being left with the London Borough of Tower Hamlets.
- 7.2. The direct award to Look Ahead Care needs to be considered in the context of a recent financial appraisal conducted on Look Ahead for another contract. The financial appraisal suggested that Look Ahead Care has financial weaknesses, particularly in relation to debt to asset ratio. This is not a reason not to make the direct award but to acknowledge during the course of the contract.

8 COMMENTS OF LEGAL SERVICES

- 8.1. This is a Light Touch Service with a contract value above the relevant threshold (£663,540) and should be tendered competitively in accordance with the Public Contracts Regulation 2015. However, there is insufficient time to run a competitive process by the mobilisation date stipulated in the grant funding agreement.
- 8.2. This report is seeking approval to award a contract without competition to Look Ahead Care and Support for the provision of the services outlined in the report, at an annual contract value of £515,750 (£2.063m) for 4 years, for

reasons of extreme urgency brought about by events unforeseeable by the Council, the time limits for competitive procedure with negotiation cannot be complied with, in accordance with the provisions of Regulation 32 (1) (c) of the Public Contracts Regulation 2015.

- 8.3. It is a condition of the grant that funding is subject to services being mobilised before 31st March 2021, hence this approval is being sought.
- 8.4. To note that Look Ahead Care and Support will be providing the Services from property/ies owned by Peabody Trust as Landlord and Tenants.
- 8.5. The grant funding application includes and is approved subject to a capital investment. Such capital works are to be carried out by the Landlord (Peabody Trust).
- 8.6. To note that there is no confirmation from the GLA as to whether the capital investment element of the grant funding will be paid directly to the Landlord or to the Council as part of the overall grant funding.
- 8.7. If this decision is approved, the Council proposes to enter into a contract with Look Ahead based on its standard terms and conditions.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- **LBTH Housing Exit Strategy for Homelessness Accommodation**

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

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